

SECRET

ROUTING AND RECORD SHEET

APR 29 1954

INSTRUCTIONS: Officer designations should be used in the "TO" column. Under each comment a line should be drawn across sheet and each comment numbered to correspond with the number in the "TO" column. Each officer should initial (check mark insufficient) before further routing. This Routing and Record Sheet should be returned to Registry.

FROM:

NO.

RULA-27

DATE

TO	ROOM NO.	DATE		OFFICER'S INITIALS	COMMENTS
		REC'D	FWD'D		
[]		4 May 8		[]	<p>2 to 4 - Lincoln does not agree with the ideas I sent re para 5. I believed the mechanism was already existent & worth-while in "recusitaty" position in coordination with effort of SALES. A cable on this was sent to Lincoln prior to departure of Page.</p> <p>Delia has initiated the letter to [] idea however, I hold little hope for to file in this approach.</p> <p>→ 12 - Program file</p>
		10 May 10		[]	
		10 May 10		[]	
		11 May 11		[]	
				[]	
6. <i>Caterline</i>				[]	
7.					
8.					
9.					
11. []				[]	
12. <i>PBS/file</i>					
13.					
14.					
15.					

CIA HISTORICAL REVIEW PROGRAM
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2003

~~SECRET/RYBAT/PBSUCCESS~~

21 April 1954

Chief of Station, Guatemala

LINCOLN

K-Program
Approaches to Guatemalan Labor Leaders

ATTN: Graham L. PAGE

1. Rural Labor

It appears, on the basis of the scanty information available, that three principal complexes must be taken into account in an attempt to capture partial or complete control of rural labor: the CNCG, the DAN and the PAR. While the CNCG represents a goodly proportion of the rural workers and small landholders, the executive-type government prevailing in Guatemala gives a large measure of labor control to the DAN. Beyond these two entities the PAR has considerable influence in the CNCG and, presumably, on the DAN. A concerted approach to rural labor must therefore take all three power blocks into account.

a. Prime Target in the CNCG is, of course [

1. The [] report indicates that there are fundamental ideological and tactical differences between [] and the Communists, namely, that [] emphasizes the proprietary and tenure interests of the small landholders and peasants, as against the Communist wishes to make them members of collective farms. This ideological split is necessarily reflected in organizational approach and in propaganda lines. In addition, EMERALDITE reports [] to be venal and to have accepted a salary of 300 quetzales a month from CHARNAUD MacDonald. Thereafter, again according to EMERALDITE, Major MARTINEZ bought [] for 300 quetzales a month. Simultaneously [], who belonged to the socialist party, switched to the PAR. For your information [] should shortly receive a letter from []

[]; this letter will offer [] sympathy and support and will be couched in terms quite similar to those of the MEANY letter to ARBENZ; it is possible that [] will be rather receptive to the letter, since he

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indicated to [] that he himself was going to write to [] In any approach to [] it may be useful to spell out to him the irreconcilable ideological rift between socialist espousal of small landholders and Communist supporters of collectivization. In this connection, PAGE might indicate that his backers will favor a revision of the Agrarian Law in the sense that land distributed to peasants should be given to them free of all encumbrances and with clear title, not in the present manner where land is given to the peasant only for use and is subject to arbitrary recall by Communist intervention or by Government decree. As far as indicating to [] a potential aggrandizement of his own power is concerned, [] might take the position that he and his backers favor a single agricultural union; this would indicate elimination of the CGTC from organizational work in the agricultural field. There is no need to underscore the utility of money with regard to this recruitment. In return for whatever promises are made or compensations paid to him []

[] should be asked to take a public or semi-public stand to the effect that campesinos would be foolish to take land from Communist hands; not only will such land tenure be highly impermanent, but it also exposes the recipient to punishment from the inevitably victorious anti-Communists [] himself will best know how to moderate his [] speaking with a view to his own physical safety. In addition, he should be asked to mobilize the workers against invasions of their areas by Communist agitators. Finally [] should take the lead in expressing the widespread sentiment that the government is busily trying to recruit the campesinos for cannon fodder when fighting comes and that the government leaders themselves will hide or flee until they see which way the battle goes [] should do everything in his power to augment the rising peasant sentiment that, in the event of any trouble, they will take to the woods and have no part in the battle. Wherever possible, through his organizational channels, he should urge peasants who are offered arms to accept these but to keep them for their own protection and not to use them in any defense of the government. It is realized that the foregoing requests represent a tall order and they are stated here merely to indicate the general direction in which the services of [] after a successful recruitment, might go.

b. ESMERALDITE recommends that the approach to [] might profitably be made through []

[] is reported to be venal, addicted to liquor and leachery. However, ESMERALDITE's information seems to be superseded by events in Guatemala. According to Embassy Despatch 655 from Guatemala, dated 1 February 1954, a factional fight within the PAR extended into the CNCGE.

[] Given the generally chaotic state of Guatemalan politics, this does not necessarily mean that the personal friendship and liaison between [] has been disrupted thereby, but the approach to [] through [] will have to depend on further study in the field. It is also worth noting that [] is listed

by both CALLIGERIS and ERRATIC as a Communist.

c. According to the American Embassy Despatch cited in sub-paragraph b. above [] maintains a very close alliance with a leader of *one faction* of the PAR. []

[] He and FERNANDEZ Poncea, Felipe DARDON, Guadalupe PORRAS Quinonez, Abel RECINAS, Francisco SANCHEZ and Enrique VITERI were accused of deviating from the party line, attempting to divide the PAR and endangering the "independence of the Guatemalan working class movement." Other dissidents from the PAR are to be found in the Mario PAIZ Novales faction, whose members were either expelled or suspended toward the end of February, 1954. Needless to say, the intra-mural picture of the PAR is hardly clear from the LINCOLN vantage point. It only appears that, in view of the PAR's close connection with the CNCG that the troubled waters in the PAR ought to make for a reasonably good fishing in the CNCG. [] is an ESCROW contact and also appears on CALLIGERIS' Communist list.

d. The two top figures in the DAN are Major Alfonso MARTINEZ Estevez and Waldemar BARRIOS Klee. It is not necessary to furnish further information about MARTINEZ in this report. As regards Waldemar BARRIOS Klee, an admitted Communist, his former mentor Jorge GARCIA Bauer stated to [] that BARRIOS Klee was in the party only for selfish reasons of prestige and financial gain and that he did not think that BARRIOS Klee would support the FGT through thick and thin. Station files should reflect other prominent members of the DAN who might be useful in obtaining control over rural labor. A key individual would certainly seem to be the Director of the Regional Inspectors for the Agrarian Law. If sufficient defection in place could be mustered within the DAN, there would be a good chance of having the DAN crack down more energetically than before on Communist organizers in the rural areas. Concurrently, the DAN could favor the CNCG at such time as it seemed appropriate to demonstrate to the CNCG leaders that their support of PAGE's program would indeed pay off. It would also be useful for the DAN to reopen the cases of Communists or pro-Communist politicians who have received land under the Agrarian Law and possibly declare that such land was secured by improper means. It would further be of value if the DAN, in its propaganda, would stress the peaceful, non-military role of the campesino.

e. To summarize, the over-riding objective in the defection of agricultural labor leaders or individuals having influence over agricultural labor is to keep the campesinos from fighting on behalf of the government on D-Day. Firm pledges to that effect should be exacted where possible. Secondary objectives are to whittle away at Communist influence in the countryside before D-Day, to evoke distrust of the ARBENZ regime among the rural population and to frighten the government by giving it evidence of its gradual disintegration.

2. Industrial Labor

Industrial labor would appear to be a much more difficult nut to crack than rural labor. The general procedure would appear to be three-pronged, as in the case of rural labor. It may be possible to make SAMF a flying wedge into the CGTG, to broaden the strictly labor anti-Communist base with political support from the PRG and the PAR and to sanction the whole development by enlisting support from key individuals in the Ministry of Economy and Labor and in the Inspectorate General of Labor.

a. Target individuals in the SAMF would seem to be Alejandro OTTENS, reportedly an idealistic anti-Communist of stout leftist leanings, and Arturo MORALES Cuba, another leftist with a most unscrupulous record. If the available character analyses of these two men are correct, MORALES Cuba could perhaps profitably be used to recruit other labor leaders, in the SAMF and in affiliated ^{unions} or potential affiliates, who are of his ward-healing nature. OTTENS, on the other hand, would possibly attract ideologically leftist union leaders in the SAMF and in other craft unions that are now or could be affiliated to the SAMF. The general idea would be to build around these two men a pair of battering rams that would strike at the central strength of the CGTG; while there appears to be virtually no hope of altering, in the short time available, the thorough Communist domination at the top of the CGTG, the SAMF, under OTTENS and MORALES Cuba, could eat away at the periphery of the Communists and thereby shake them to the center. An ideal development,, of course, would be for the SAMF to withdraw from the CGTG and to encourage affiliation with it strictly along craft union (of the AFL type) lines.

b. According to ESMERALDITE, Marco Antonio VILLAMAR, of the PRG, is in bad financial straits, distrusted by the Communists, and a man of high ambitions. He is apparently in conflict with CHARNAUD MacDonald and wants to wrest PRG control from CHARNAUD MacDonald. It is possible that, with proper subsidization and with a proper boost to his ego, VILLAMAR could be persuaded to enter the industrial labor field and to build a base of strength there. Likewise, in the PAR, ESMERALDITE recommends that REGINAS Sandoval (recently expelled) should be encouraged to organize the industrial workers who follow the PAR into one great bloc and especially to try to organize a federation of public employees independently of the CGTG. ESMERALDITE recommends hinting to REGINAS that he might be the future Minister of Labor in Guatemala. There is no need to add anything, in this dispatch, on the case of Carlos Manuel PELLEGUER. Approaches to these three individuals, given the constant intermingling of labor affairs and party politics in Guatemala, might serve to disrupt the central machinery of the CGTG and to permit the defection of unions from the federation.

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c. C I already a K-Program target, may be able to mobilize some of the ~~administrative~~ resources of the Ministry of Economy and Labor to impede CGTG activities. Julio VALLADARES Castillo, on whom, unfortunately, no information is available in LINCOLN files, is the Inspector General of Labor and as such might be able to function even more effectively than C I in interrupting or impeding CGTG activities. The conflicts that occur from time to time between Alfonso SOLORZANO, Head of the IGSS, and the Communist Party might be nurtured by an approach to SOLORZANO to a point where there is noticeably discriminatory treatment meted out by the IGSS to Communist beneficiaries.

d. In sum, defection efforts among industrial labor should be aimed at, as in the case of agricultural labor, denying the use of armed civilians to the government on D-Day. In the interim they should attempt to create sufficient organizational chaos, particularly of an anti-Communist variety, as to keep the labor leaders preoccupied with internecine strife and to prevent them from concentrating on "defense of the revolution."

3. The above brief sketch of potential labor targets in the K-Program is admittedly highly defective and based on sketchy information. It is hoped that Station files and local knowledge will assist measurably in giving direction to the campaign and in opening up targets of opportunity. It is hoped that ESMERALDITE-1 will be available to steer PAGE's efforts in this field.

4. LINCOLN will be glad to assist the labor aspects of the K-Program in any way it can, if it is borne in mind that the Guatemalan labor picture, as known abroad, appears sketchy and fragmented.

5. LINCOLN does not believe that effort should be expended on attempting to resuscitate the UNTL. Not only the construction of such a roof federation, but the process of gaining affiliates to it, is too arduous and time-consuming a process that the schedule set for PBSUCCESS ~~does~~ not allow it. Full emphasis should be concentrated on weakening and splitting the present labor structure, rather than attempting to put something else in its place. Reconstruction can properly be left to the post-D-Day phase.

JEROME C. DUNBAR

JCD/JTH/eaf

20 April 1954

Distribution2 - Guatemala2 - Washington

3 - LINCOLN

ATTACHMENT C] Report
(SENT LINC WITH HUL-W-246).~~SECRET/RYBAT/PBSUCCESS~~